

Legislative History for Chapters 175 & 185

Chapter 175, Florida Statutes, was originally enacted in 1939 to provide an incentive -- access to premium tax revenues -- to Florida cities to establish retirement plans covering firefighters. Fourteen years later, in 1953, the Legislature followed suit with Chapter 185, Florida Statutes, which set up a similar funding mechanism for municipal police officers. Chapter 175 was completely revised in 1963. Both chapters have been amended by numerous legislative acts in the years since.

The following chart tracks the changes the Legislature has made to these chapters since Chapter 175 was completely rewritten in 1963 -- plan changes occurring between 1939 and 1963 are omitted. Some of these changes have signaled major shifts in legislative policy and direction.

Chapter Law	Affected Chapter(s)	Effect of Legislation
28230, 1953	185	Created Police Officers' Retirement Fund for cities that did "not have presently established by law a similar fund." The Board of Trustees was the Mayor, Police Chief, a police officer chosen by the city governing body, advised by city attorney. The fund was supported by a 1% premium tax plus a 5% employee contribution and city contributions, etc. Cities without plans and cities with preexisting plans could levy tax. Credit could accrue for up to 30 years. Plan participation was voluntary. Normal retirement age was 60, plus 10 years of service or any age, plus 30 years, for 10 year contributors. Credit accrued at 2% (or 1% for noncontributing years). Disability pension of unspecified amount provided for those with 10 contributing years. Death benefits were return of contributions, no interest.
29734, 1955	175 185	Directed Treasurer to keep accounts and distribute amounts due to cities by June 1 of each year.
29825, 1955	185	Clarified that cities could not be "compelled to supplement the retirement fund by direct millage". Provided for joint annuitants. Clarified that benefits were "conditioned upon continuous employment".
57-118	185	Authorized boards to purchase life insurance contracts.
57-340	185	Provided line-of-duty disability presumption for police with TB, hypertension, heart disease, or hardening of the arteries.
59-320	185	Generally revised chapter. Provided credit for military service. Expanded board to include another police officer and a resident member, both appointed by city governing body. Set principles for use of annuity or insurance policies. Allowed officers covered by Social Security to elect reduced participation (3% contribution / reduced benefit). Clarified that city must pay whatever additional amount it takes to fund normal costs over 40 years. Deleted "30-

		and-out" provision. Reduced benefit accrual rate to 1.67% of AFC (or 1% for those making 3% contributions). Improved death benefits to continue payments to beneficiary for 10 years certain. Placed limits on causes of injury or disease leading to disability and provided for 10 years certain of disability income. Provided retirement options. Created s. 185.35, F.S., to establish separate standards for local law plans (rate at least 1/12th of 1%).
61-85	185	Defined AFC as "average cash compensation ... during his last 10 years of contributing service". Clarified that no credit could be earned after normal retirement date. If terminated, contributions could be left in fund for 5 years, and then must be refunded, no interest. Provided for early retirement at age 50 with 10 years service, with reduced benefit. Provided for plan termination.
61-119	175 185	Technical. Renamed funds.
63-196	185	Clarified taxing provisions, early retirement provisions, requirements re: actuarial valuations, and plan terminations.
63-249	175	Completely revised Chapter 175 (superseded older version). Defined AFC as average of "10 best contributing years of last 15 years". Clarified benefits not subject to execution, attachment, assignment. Specified that certain sections were applicable to all cities, and that the rest were only applicable to cities not already having a 175 plan. Otherwise, revised provisions to essentially match police plans.
65-58	175	Clarified provisions mandating payment by city of amount required to fund normal cost over 40 years. Clarified payment options in event of death or disability. Amended provisions requiring report to Treasurer and plan termination provisions.
65-152	185	Clarified that provisions apply only to incorporated cities, not to unincorporated areas or governmental entities in state or county retirement system.
65-153	175	Clarified that provisions apply only to incorporated cities, not to unincorporated areas or governmental entities in state or county retirement system.
65-365	175	Approved investment in securities.
65-366	185	Approved investment in securities.
67-217	175	Limited disbursements to half of taxes over 6% of payroll.
67-218	175	Increased premium tax cap to 2%.
67-580	185	Tightened provisions re: presumed line-of-duty disability for TB, hypertension, heart disease, hardening of the arteries. Required exposure in active performance of duty, required electrocardiogram, prohibited application to benefits payable by insurance, declares provisions independent of workers'

		compensation.
70-128	185	Increased accrual rates for police from 1.67% to 2% (and from 1% to 1.2% for those making reduced contributions).
70-129	175	Increased accrual rates for fire from 1.67% to 2% (and from 1% to 1.2% for those making reduced contributions).
74-294	175	Provided for deposit of tax moneys in Insurance Commissioner's Regulatory Trust Fund.
74-297	185	Provided for deposit of tax moneys in Insurance Commissioner's Regulatory Trust Fund.
75-240	175	Technical. Modified tax reporting procedure.
79-380 & 79-388	175 185	Clarified definition of volunteer firefighter and prohibited discrimination based on color, national origin, sex or marital status. Clarified definition of "police officer" -- included public safety officers performing both police and fire services.
83-334	175	Technical. Deletes reference to the advisory committee.
86-41 & 86-42	175 185	Completely revised both chapters. Clarified legislative intent to protect pension funds and to establish minimum standards for operation and funding of plans. Liberalized definition of AFC to best 5 of last 10 years. Restructured boards to consist of 2 members appointed by city, 2 members elected by employees and a 5th board member appointed by the other 4 members. Modified board's investment powers and required independent evaluation of money managers every 3 years. Restricted cities from reducing member contributions below 1% of pay. Clarified that standards must be met to receive tax distributions. Changed deposit requirements. Liberalized requirements for normal retirement (age 55, plus 10 years or age 52, plus 25 years). Stated that added benefits could be postponed until funded through incremental increases in state funding. Limited reductions for early retirement to 3% for each year retirement age fell below normal retirement age. Modified disability provisions to set threshold benefits at 42% of pay for line-of-duty disabilities and 25% for non-duty disabilities. Improved death benefits for vested members. Added audit requirement and increased frequency of valuations to every 3 years. Authorized board to hire independent counsel and other professional advisors, payable from fund. Tightened deposit requirements. Established independence of cities and boards of trustees. Restricted number of times a member could change beneficiary or joint annuitant designation. For local law plans under ss. 175.351 and 185.35, F.S., established minimum benefit formula of 2% per year of service times AFC (as state funds are available); required employee contribution of at least 1% of pay; required valuations every 3 years; prohibited plan changes without "approval of the municipality"; required actuarial statements;

		required independent audits for big plans; clarified that board could use tax revenues for general or extra benefits; and restructured pension boards (2+ 2 + 1).
88-185	175 185	Technical. Corrected a cross reference to conform to changes in Chapter 280, F.S., affecting public depositories.
88-206	175 185	Reduced the municipal excise tax on property insurance and casualty insurance premiums (the premium tax) from 2% to 1.85% for fire plans and from 1% to 0.85% for police plans and included both foreign and domestic insurers.
89-167	175 185	Revised procedure for administration, auditing and enforcement of premium tax assessment and collection by the Department of Revenue. Amended ss. 175.101 and 185.08, F.S., to conform.
90-138	175 185	Technical. Chapter 112, F.S., was amended to increase death benefits for police officers and firefighters killed in the line-of-duty and to pay educational expenses of surviving children. Amended ss. 175.201 and 185.21, F.S., to conform.
92-51	175 185	Added a section to each chapter providing for establishment of separate funds to provide for retiree health insurance subsidies for firefighters and police officers.
93-191	175 185	Transferred Bureau of Municipal Police Officers' and Firefighters' Pension Funds from the Department of Insurance to the Division of Retirement. Clarified oversight role of Division of Retirement. Authorized special fire control districts to set up Chapter 175 funds and levy premium taxes within boundaries. Provided for redistribution of surplus moneys not needed, to support firefighters' supplemental compensation program.
94-171	175 185	Eliminated remarriage penalties and reinstated death benefits to surviving spouses whose benefits were terminated due to remarriage.
94-259	175 185	Clarified that receipt of premium tax distributions is further conditioned upon compliance with part VII, Chapter 112, F.S.
95-147	175 185	Technical. Modified references to be gender neutral.
95-249 & 95-250	175 185	Created the Division of Retirement's Police and Firefighters Premium Tax Trust Fund. Transferred the custodianship of the premium tax monies from the Department of Insurance's Regulatory Trust Fund to the Division of Retirement. Amends trust fund reference in all other sections.
95-338	175 185	Allowed cities / special districts to opt out of the Florida Retirement System by establishing a chapter-type pension plan. Actual participation under Chapters 175/185 was optional.
96-324	175 185	Technical. Clarified the applicability to Chapters 11 and 218.
98-134	175	Adjusted investment guidelines to permit up to 10% in foreign

	185	securities and raised maximum equity limitation to 50% of plan assets (up from 30%). All plans are required to hire a qualified independent consultant to evaluate the performance of their professional money manager at least once every three years.
99-1	175 185	Amended & revised provisions of the Municipal Firefighters' Pension Trust Funds & Municipal Police Officers' Retirement Trust Funds; provided that certain benefits provided are minimum & may not be diminished by any other state, local, or federal benefits; provided exception; modified formula for calculating volunteer firefighter service retirement benefits; provided for optional participation, etc. Amended Chs. 175, 185. EFFECTIVE DATE: 03/12/1999.
99-2	175 185	Reviser's bill. Technical amendments only.
2000-355	175 185	Amends ss. 175.111 and 185.09 deleting the requirement that insurers file a tax return with the Division of Retirement; amends s. 213.053 allowing the Department of Revenue to share information regarding such insurers with the Division.
2002-29	175	Amends ss. 175.041 & 175.101 allowing a single consolidated government that has entered into an interlocal agreement to provide fire services to municipalities within its boundaries to receive the neighboring city's state premium tax money as long as the interlocal agreement is in place. Copies of the interlocal agreement and the levying ordinance must be provided to the Division of Retirement.
2002-66	175 185	Amending the makeup of the board of trustees and the plan's termination provisions for closed plans.
2003-261	175 185	Reviser's bill. Revises statutes to recognize the functions transferred from the former Comptroller and Treasurer to the new Chief Financial Officer's Office.
2004-21	175 185	Provides a short title in memory of Marvin B. Clayton, former Bureau Chief of the Municipal Police Officers' and Firefighters' Pension Office and steadfast advocate for police officers and firefighters; provides for the establishment of a premium tax database by the Department of Revenue beginning with the 2005 calendar year; includes a clarification that the increases in state premium tax revenues over and above the amount collected for the calendar year 1997 are to be used first to meet the minimums and then are to be used for "extra benefits" over and above those proved to general employees and in addition to those in existence for firefighters and police officers on March 12, 1999 (the effective date of Chapter 99-1, Laws of Florida); and adds a provision

		allowing retirees to authorize the Board of Trustees to make certain deductions from his or her monthly pension check.
2005-205	175 185	Amends ss. 175.041 and 175.101 allowing municipalities that have entered into an interlocal agreement to provide fire protection services to a neighboring municipality to be eligible to receive the neighboring city's state premium tax moneys as long as the interlocal agreement is in place. The municipality receiving the fire protection services must pass an ordinance levying the premium tax and a copy of the interlocal agreement and the levying ordinance must be provided to the Division of Retirement.
2009-97	175 185	Amends ss. 175.032(4)(c) and 185.02(5)(c) providing cities/districts the option of allowing members to purchase prior service as a police officer or firefighter for federal, other state, or county service; ss. 175.061 and 185.05 to allow cities/districts to expand the terms of office of the board members from 2 to 4 years, expands board's option to allow retirees to direct payment for various types of insurance; ss. 175.071 and 185.06 to expand the foreign investment limit from 10% to 25% on a market value basis and clarifies that this restriction may only be changed by an amendment to the general law, requires the Board to identify and report any direct or indirect holdings in scrutinized companies and divest by September 2010; ss. 175.171 and 185.161 to clarify that a retiree may change his joint annuitant up to two times; ss. 175.361 and 185.37 to clarify that if the plan is terminated, the members' accrued benefits are nonforfeitable and that the city/district must provide the necessary funding.
2011-216	112 175 185	Amends s. 112.63(1)(f), requiring all public pension plans to provide an additional disclosure on the actuarial valuation using the FRS assumed rate of return; s. 112.66(11) provides that for service earned after July 1, 2011, for non-collectively bargained service, or service earned under the first collective bargaining agreement entered into on or after July 1, 2011, a defined benefit plan may include up to 300 hours per year of overtime compensation, but may not include any payments for accrued unused sick or annual leave in the retirement calculation; 112.66(12), effective 7/1/11 a local government sponsor of a defined benefit plan may not reduce contributions required to fund the normal cost of the plan. Amends 175 and 185 to include the same salary restrictions as described above for s. 112.66 (11); for boards in effect on 6/30/86 having a higher than 40% employee representation on the board, the City may now change the designated municipal representative on the board to any resident member appointed by the City; allows employee contributions to be increased with the approval of the collective bargaining unit, or if none, by majority of the members. Any such increase is no longer contingent upon providing greater

		benefits; requires the Department of Management Services to develop a plan for creating standardized ratings for classifying the financial strength of all local government defined benefit plans, and submit such proposal by January 1, 2012; creates a Task Force on Public Employee Disability Presumptions for purpose of developing findings and issuing recommendations by January 1, 2012.
2013-100	112	Amends s. 112.63 to repeal paragraph (1)(f) relating to disclosure requirements; adds s. 112.66(14) reinforcing the provisions already found in Chapters 175 & 185 declaring that the State is not liable for any local retirement system's shortfall; creates s. 112.664, setting forth additional actuarial disclosure standards for defined benefit plans; provides that such information shall be submitted to the Department of Management Services within a specified period; requires such information be posted by the plan sponsor and the Department on their websites; provides penalties for failure to comply.